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A former Honolulu man allegedly linked to a phony investment company that bilked hundreds of people out of millions of dollars has been arrested in San Diego.

FBI agents arrested Gerard Signori, a certified public accountant, on Friday.

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Signori was secretly indicted by a federal grand jury June 16 on eight counts of mail fraud, failure to file personal income tax returns and filing false documents with the Internal Revenue Service, U.S. Attorney Dan Bent said.

The indictment alleges Signori defrauded Teresa Black of \$20,000 while maintaining Hawaii offices with the phony investment firm Bishop, Baldwin, Rewald, Dillingham and Wong.

Ronald Rewald, who formed Bishop Baldwin, was convicted of fraud and sentenced to 80 years in prison last Dec. 9. Prosecutors said about 400 investors gave him \$22 million that he spent on women, cars, fancy homes, polo ponies and the company's operations, which led to its collapse.

Signori allegedly told Black her \$20,000 would be put into a special investment organized by Rewald, Bent said.

The indictment alleges there was no special investment and Signori used the money to make a down payment on a residence, buy a motorcycle and to pay a personal debt.

The indictment further alleges Signori failed to file personal tax returns and filed false applications for extensions to file tax returns in 1981, 1982

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and 1983.

If convicted, Signori faces a maximum 22 years in jail and fines of \$432,000 in addition to the cost of prosecution.